

# House File 439 - Introduced

HOUSE FILE 439  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 65)

## A BILL FOR

1 An Act relating to the workforce housing tax incentives  
2 program by increasing the maximum dollar amount that may be  
3 allocated to the program, by requiring allocation to certain  
4 housing projects, and by increasing the percentage of  
5 investment for tax incentives for certain housing projects.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:



1 Section 1. Section 15.119, subsection 2, paragraph a,  
2 subparagraph (2), Code 2017, is amended to read as follows:

3 (2) In allocating tax credits pursuant to [this subsection](#)  
4 for the fiscal year beginning July 1, 2016, and ending June 30,  
5 2017, the authority shall not allocate more than one hundred  
6 five million dollars for purposes of this paragraph "a". In  
7 allocating tax credits pursuant to this paragraph "a" for each  
8 fiscal year of the fiscal period beginning July 1, 2016 2017,  
9 and ending June 30, 2021, the authority shall not allocate more  
10 than for the purposes of this paragraph "a" an amount that  
11 exceeds an amount equal to the difference of one hundred five  
12 million dollars for purposes of this paragraph less the amount,  
13 if any, that the allocation for purposes of paragraph "g"  
14 exceeds twenty million dollars for the same fiscal year. This  
15 subparagraph (2) is repealed July 1, 2021.

16 Sec. 2. Section 15.119, subsection 2, paragraph a,  
17 subparagraph (3), subparagraph division (a), Code 2017, is  
18 amended to read as follows:

19 (a) In allocating tax credits pursuant to [this subsection](#)  
20 for the fiscal year beginning July 1, 2021, and ending June  
21 30, 2022, the authority shall not allocate ~~more than~~ for the  
22 purposes of this paragraph "a" an amount that exceeds an amount  
23 equal to the difference of one hundred five million dollars for  
24 purposes of this paragraph less the amount, if any, that the  
25 allocation for purposes of paragraph "g" exceeds twenty million  
26 dollars for the same fiscal year if the aggregate amount of  
27 renewable chemical production tax credits under [section 15.319](#)  
28 that were awarded on or after July 1, 2018, but before July 1,  
29 2021, equals or exceeds twenty-seven million dollars.

30 Sec. 3. Section 15.119, subsection 2, paragraph g, Code  
31 2017, is amended to read as follows:

32 g. The workforce housing tax incentives program administered  
33 pursuant to [sections 15.351 through 15.356](#). In allocating  
34 tax credits pursuant to [this subsection](#), the authority shall  
35 not allocate more than ~~twenty~~ thirty million dollars for



1 purposes of this paragraph. Of the moneys allocated under this  
 2 paragraph, ten million dollars shall be reserved for allocation  
 3 to qualified housing projects in small cities, as defined in  
 4 section 15.352.

5 Sec. 4. Section 15.352, Code 2017, is amended by adding the  
 6 following new subsections:

7 NEW SUBSECTION. 3A. "*Greenfield site*" means a site that  
 8 does not meet the definition of a brownfield site or grayfield  
 9 site. A project proposed at a site located on previously  
 10 undeveloped land or agricultural land shall be presumed to be  
 11 a greenfield site.

12 NEW SUBSECTION. 9. "*Small city*" means any city or township  
 13 located in this state, except those located within the eleven  
 14 most populous counties in the state, as determined by the most  
 15 recent federal decennial census. For the purposes of this  
 16 part, a small city that is located in more than one county  
 17 shall be considered to be located in the county having the  
 18 greatest taxable base within the small city.

19 Sec. 5. Section 15.353, subsection 1, paragraph a, Code  
 20 2017, is amended to read as follows:

21 a. Four or more single-family dwelling units, except for a  
 22 project located in a small city, then two or more single-family  
 23 dwelling units.

24 Sec. 6. Section 15.353, subsection 2, Code 2017, is amended  
 25 by adding the following new paragraph:

26 NEW PARAGRAPH. *0d.* For a housing project located in a  
 27 small city that meets program requirements under subsection 1,  
 28 paragraph "*a*", development at a greenfield site.

29 Sec. 7. Section 15.353, subsection 2, paragraph d,  
 30 subparagraph (2), subparagraph division (c), Code 2017, is  
 31 amended to read as follows:

32 (c) The demand for projects applying under this paragraph  
 33 "*d*" compared to the demand for projects applying under  
 34 paragraphs "*a*" through "*e*" "*0d*".

35 Sec. 8. Section 15.354, subsection 4, paragraph c, Code



1 2017, is amended to read as follows:

2     *c.* (1) The authority shall issue tax incentives under the  
 3 program on a first-come, first-served basis until the maximum  
 4 amount of tax incentives allocated pursuant to section 15.119,  
 5 subsection 2, is reached. The authority shall maintain a list  
 6 of registered housing projects under the program so that if  
 7 the maximum aggregate amount of tax incentives is reached in  
 8 a given fiscal year, registered housing projects that were  
 9 completed but for which tax incentives were not issued shall  
 10 be placed on a wait list in the order the registered housing  
 11 projects were registered and shall be given priority for  
 12 receiving tax incentives in succeeding fiscal years.

13     (2) The authority shall administer allocations reserved for  
 14 qualified housing projects in small cities separately from the  
 15 general allocation in subparagraph (1). The authority shall  
 16 issue tax incentives for small cities under the program on a  
 17 first-come, first-served basis until the maximum amount of the  
 18 allocation reserved for small cities under section 15.119,  
 19 subsection 2, paragraph "g", is reached. The authority shall  
 20 maintain a list of registered housing projects in small cities  
 21 under the program so that if the maximum aggregate amount  
 22 of tax incentives reserved for small cities is reached in a  
 23 given fiscal year, such registered housing projects that were  
 24 completed but for which tax incentives were not issued shall  
 25 be placed on a wait list in the order the registered housing  
 26 projects were registered and shall be given priority for  
 27 receiving tax incentives in succeeding fiscal years. If the  
 28 maximum aggregate amount of tax incentives reserved for small  
 29 cities is not reached in a given fiscal year, the authority may  
 30 issue tax incentives reserved under this subparagraph (2) to  
 31 other housing projects registered under subsection 2.

32     Sec. 9. Section 15.355, subsection 3, paragraph a, Code  
 33 2017, is amended to read as follows:

34     *a.* A housing business may claim a tax credit in an amount  
 35 not to exceed the following:



1     (1) For a housing project not located in a small city, ten  
2 percent of the qualifying new investment of a housing project.

3     (2) For a housing project located in a small city, twenty  
4 percent of the qualifying new investment of a housing project.

### EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

8        This bill relates to the workforce housing tax incentives  
9 program by increasing the maximum dollar amount that may be  
10 allocated to the program, by requiring that a certain dollar  
11 value of tax credits be allocated to housing projects in small  
12 cities, and by increasing the percentage for computing tax  
13 credits for such housing projects.

14 The bill raises the annual allowable tax credits allocation  
15 under the program from \$20 million to \$30 million, but  
16 maintains the economic development authority's (authority)  
17 \$170 million aggregate tax credit limit. The bill requires  
18 the authority to allocate at least \$10 million in tax credits  
19 to housing projects in small cities and to administer such  
20 reserved allocations separately. If the authority does not  
21 reach the \$10 million for such projects in a fiscal year, the  
22 bill provides that the authority may issue tax incentives from  
23 the reserved allocation to registered housing projects that  
24 are not located in small cities. Under the bill, a small city  
25 includes any city or township not located in one of the 11  
26 most populous counties in the state, as determined by the most  
27 recent federal decennial census. Under the bill, a small city  
28 that is located in more than one county is considered to be  
29 located in the county having the greatest taxable base within  
30 the small city.

31 The bill provides that a housing project in a small city  
32 that results in two or more new single-family dwelling units  
33 at a greenfield site, as defined in the bill, may receive tax  
34 incentives under the program, equaling up to 20 percent of the  
35 qualifying new investment.



1     For the fiscal period beginning July 1, 2017, and ending  
2 June 30, 2022, the bill requires reductions in the authority's  
3 allowable allocations to the high quality jobs program  
4 under the circumstances described in the bill relating to  
5 the increase in workforce housing tax incentive program tax  
6 credits.